

Alecia Ward: Upgrade state energy code

New efficiencies would save people money; create jobs

Gov. Jennifer Granholm has an opportunity to reach out and pick the lowest hanging fruit in Michigan. No, it's not an apple; it's a new energy code for homes and residential buildings.

Alecia Ward is executive director of the Midwest Energy Efficiency Alliance in Chicago.

With analysts expecting energy prices to remain high and volatile for the next several years, improving the state's energy code is an easy, low-cost solution to reduce the amount of money consumers must spend on energy.

The Michigan Department of Labor and Economic Growth is in the process of updating the Michigan Uniform Energy Code, which sets the minimum standards for the amount of energy efficiency required in all new homes.

The current MUEC is among the weakest in the country, but the proposed upgrade will bring Michigan in line with the 25 other states that have adopted the national standard - Chapter 11 of the International Residential Code.

Under the proposed upgrade, Michigan's residents will save an average of \$374 every year on their energy bills. Since Michigan builds approximately 40,000 new homes each year, homeowners in Michigan could net a savings of nearly \$3.7 billion in energy bills over the next 30 years. This is money that consumers can spend on other products and services, positively impacting the economy.

An effective energy code can also help preserve Michigan's precious environmental resources. Upgrading to the proposed energy code could save Michigan 714 million kilowatt-hours annually - enough energy to power 65,600 homes for one year - and reduce air pollution by over 1.6 billion pounds of carbon dioxide, the major contributor to global climate change. It can also help the 25 Michigan counties that do not meet the EPA's national ozone standards improve the quality of their air and gain attainment status.

Michigan will also benefit from new jobs created as a result of upgrading the state's energy code. For example, Guardian Industries, a major manufacturer of glass products with several plants in Michigan would invest \$40 million in its Carleton, Mich., plant and create 40 new jobs in response to increased demand for energy efficient windows.

Upgrading Michigan's energy code makes good economic sense, helps reduce consumer energy spending, fosters job growth and helps protect Michigan's natural resources. The decision to make it as effective as possible should be as easy as pie.

Detroit Free Press

www.freep.com

LOCAL COMMENT: For energy efficient homes, state right to step up codes

February 11, 2005

BY PAUL PAZGRAT

As Michigan consumers suffer from higher home energy bills due to dramatically rising natural gas prices, it is most disturbing to note that the current leadership of the Michigan Association of Home Builders has filed a lawsuit to oppose the adoption of a fair and reasonable energy code.

Gov. Jennifer Granholm and her administration deserve credit for taking a leading role in helping new homeowners save money on their energy bills by adopting a nationally certified energy code.

In December, the Granholm administration quietly announced strengthened energy efficiency standards for new homes built in Michigan. As a result, new homeowners will save an average of \$374 per year on their energy bills. Without the code upgrade, homeowners will be forced to pay up to \$3.7 billion more in energy costs over the next 30 years.

While the association argues that the initial cost associated with upgrading a new home to meet the energy code is prohibitive (on the order of \$6,000), several studies, including one conducted by the U.S. Department of Energy, show that this cost actually ranges from \$1,000 to \$1,700 and will pay back to the consumer in less than 5 years and as little as 2 1/2 years in the form of lower energy bills. These conditions clearly meet the 1996 Stille-DeRossett-Hale Single State Construction Act requirement that homeowners recoup the initial cost increase for meeting the new energy code within 7 years.

Several Michigan homebuilders of varying sizes have already shown that costs will not be a barrier to meeting the new energy code requirements. Venture Inc., a subsidiary of the Oakland Livingston Human Services Agency, constructs energy efficient homes for low-income homebuyers at a cost of \$72 per square foot -- less than the average cost of \$83.01 per square foot for new homes in the Midwest. These homes exceed the requirements of Michigan's new energy code as well as the more stringent Energy Star and Building America standards. If this organization with a limited budget can construct affordable houses that exceed the new energy code requirements, it is clear that the rest of Michigan's homebuilders can meet the code with little or no added investment.

With the adoption of this new energy code, homeowners will continue to save money on their energy bills in the future once their initial investment is paid off. This is money that will be invested in the local economy instead of being spent on energy, which Michigan mostly imports from other parts of the country and from Canada. Each year roughly \$12 billion leaves the state to pay for the imported energy, and the dramatic natural gas price increases over the last two years mean that nearly \$2 billion more will leave the state economy each year. This is especially important for low-income homebuyers, who tend to spend a higher percentage of their income on energy bills, because it reduces their monthly energy bill and reduces the likelihood of disconnection of their service.

Although the Michigan Association of Home Builders has spoken out against the proposed energy code upgrade and has filed a lawsuit, a number of Michigan homebuilders, including myself, realize the value of an effective energy code and are supporting the Granholm administration's decision. Other MAHB members, such as Coulter Builders in Okemos and Future Homes in Flint, also realize the benefits of the new code.

The home builders association should stop fighting the administration and start teaching their members how to sell the added value of the new code and give them the tools to easily and cost effectively meet the code.

PAUL PAZGRAT of Shelby Township is president of Paz Homes Inc., a custom homebuilder specializing in Energy Star homes. He is a member of the Michigan Association of Home Builders and the Building Industry Association of Southeastern Michigan. Write to him in care of the Free Press Editorial Page, 600 W. Fort St., Detroit, MI 48226.